



# Public Service Commission of Wisconsin

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**For Immediate Release – May 2, 2005**

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## **PSC Applauds Governor Doyle for Signing New Utility Construction Financing Bill**

MADISON – The Public Service Commission of Wisconsin (PSC) commended Governor Doyle for signing Senate Bill 79, a proposal to provide another financing option for the construction of power plants in Wisconsin.

The PSC also thanked bill authors Representative Phil Montgomery (R-Ashwaubenon) and Senator Rob Cowles (R-Green Bay) for introducing the legislation and moving it through the legislature in such a timely fashion.

The new construction financing option is one of the ideas that came out of the PSC's Strategic Energy Assessment process. Last year the PSC conducted an enhanced Strategic Energy Assessment and asked utilities a broad array of questions, looked at energy needs seven years out and held public forums in seven different locations across the state.

Throughout the Strategic Energy Assessment process there was wide support for looking for new ways to address energy costs, including the idea of providing another financing mechanism, like the one proposed in Senate Bill 79.

Currently, there are only two ways for utilities to finance their own construction of these multi-million dollar energy projects. One way is directly through traditional rate base financing and the other through lease generation. Senate Bill 79 provides a third financing tool for the PSC to use in construction applications. Under the proposal utilities could use the traditional rate base financing methods, but there would be a fixed rate of return as provided in the lease generation financing procedure.

The financing approach in Senate Bill 79 could result in lower cost financing with financial certainty to investors.

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